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TAXATION IN NEW FRANCE: A STUDY IN PIONEER ECONOMICS

I

The story of taxation in New France has interest inasmuch as it indicates the changes which pioneer conditions of life made necessary in the theory and practice of taxation as it was in feudal France. The Canadian colonist enjoyed comparative, and indeed almost absolute, freedom from the burden of cumulative, state-imposed charges, and from the drag of octroi duties which were a hindrance to the peasant of the kingdom. Feudalism of Old France, when transplanted to America, underwent a most interesting transformation. The effect of the new environment, the vast amount of territory, with its magnitude, its strangeness, its mystery, and its dangers, was great on all the institutions of the colonists, as well as upon their own characters. Taxation of the French king's Canadian subjects reflects the effect of the novel conditions, the new self-reliance of the people, the vigorous assertion of dislikes and antipathy where formerly was only passive submission; and shows in a most striking manner an institutional adaptation to physical and psychical environment so widely different from that in which it was conceived and developed for a period. Few as are the taxes of the French régime, their history is of no small significance. It presents features of considerable interest to the students both of Canadian history and of Canadian finance, especially as a closer relationship than is commonly believed exists between preconquest taxation and the fiscal expedients adopted after 1763.

As an expression and outgrowth of conditions in the colony, taxation in New France was based upon expediency rather than upon theory. It was in very large measure accidental and fortuitous, and the first charges were initiated with no thought of taxation in the usual meaning of that term, but rather as compensation for the valuable privilege of engaging in the fur trade. Temporary charges gradually took on permanence. For a long time export levies on beaver pelts and moose hides were the sole charges

upon the colony. As the organization of New France was developed and assumed more permanent form, the taxes on furs lessened in importance and import duties became the factor of chief moment in the revenue account.

New France's fiscal system passed through three stages in its development. The first was the period of control by proprietary companies. Under such conditions development of taxation was impossible and the levies upon the colonists were restricted to certain feudal charges. The second was the period of control by revenue "farmers," when the exaction on furs was of dwindling significance and importance, while import duties on wines, liquors, and tobacco, a luxury tax, became the more productive factor. It was not until after the revenues were taken from the farmers and collection placed under control of one of the departments of the royal government that a general tariff was possible. With local organization undeveloped, local taxation was little known, even enforcement of the king's *corvée* being opposed by the *habitants*. There was determined hostility to a poll tax, which, though frequently mooted and discussed, was never established in New France.

The first taxes imposed in the colony were the result of an unsuccessful experiment in public ownership. By letters patent, dated 1627, the Company of New France secured a fifteen-year monopoly of all the commerce of the colony, except the cod and whale fisheries. While the *habitants* were permitted to engage in the fur trade, they were required to sell all their furs to the company at a fixed and low price. In consideration of exclusive privileges and complete territorial rights, the company undertook fulfilment of extensive colonization obligations and assumed all the expenses of the colony.¹ The *habitants* became dissatisfied with this arrangement, and in 1644 a popular deputation was sent to France in an attempt to secure from the king some curtailment of the company's monopoly and to obtain greater freedom for the fur trade.

The Company of New France was not averse to a new arrangement. It had been practically bankrupt almost from the beginning of its existence, owing to miscarriage of its early ventures, and the

¹ *Edits et ordonnances*, I, 5-11.

Associates were disheartened.¹ An agreement was entered into in 1645, between plenipotentiaries representing the colonists and the directors of the Company of New France, by which the monopoly of the peltry trade, exclusive of that of Acadia, Miscou, and Cape Breton, was transferred to the *habitants*.² The latter assumed responsibility for all the ordinary expenses of the colony—the upkeep of civil, military, and ecclesiastical establishments—discharging the company from all future liability for the same. Besides certain settlement obligations, the community contracted to pay to the Company of New France an annual feudal charge or royalty of 1,000 pounds of assorted beaver skins.³

By the provisions of the first constitutional charter of New France, under date of March 27, 1647, the *habitants* were permitted to trade freely with the Indians, but it was stipulated that all furs should be taken to the public warehouses, where they should be paid for at prices fixed from time to time by the Council. The latter was authorized to appoint commissioners who should superintend the sale in France of the colony's peltries. The proceeds of such sales must be applied to meet the necessary expenses, consisting of fixed charges of 40,000 livres, and for other purposes under direction of the Council. Return of peace in 1645 had proved a temporary stimulus to exportation of furs from New France, but the prosperity was of short duration. The *habitants* became dissatisfied: they had profited little by the change of masters. The Council, on the other hand, found that its hopes were not realized. Net proceeds of the sales in France not only failed to provide the expected surplus, but barely met the necessary expenses of the colony. The community found itself going into debt and some new arrangement was demanded. After much deliberation, the Council

¹ *Canadian Archives*, F. 1, pp. 179-86; *Collection de manuscrits*, etc., I, 75-80.

² *C.A.*, F. 1, pp. 407 ff., 419; *Edits et ordonnances*, I, 28-29.

³ It was customary to sell beaver skins to the French hatters in assorted lots, composed of three parts fat beaver (*castor gras*), and one part dry beaver (*castor sec*). *C.A.*, F. 10, p. 402.

According to a *mémoire* by M. de la Chesnaye, written in 1676, this whole arrangement was conceived and carried into execution by five or six families without participation of the other settlers. The writer refers with scorn to "cette prétendue République," which was thus established (*Collection de manuscrits*, I, 245-61).

decided to throw the fur trade open to the *habitants*, allowing each to trade and send furs to the French market on his own account. For the first time in the history of New France, the common people enjoyed this privilege. In order to meet the necessary expenses of the colony, the traders were required to pay one-half of their beaver skins and one-tenth of their moose hides to the Receiver who was appointed by the Council.¹ In practice, it was an export duty on furs, payable in kind. This was the first real tax imposed in Canada—a tax which, as modified in 1653, played no small part in the financial affairs of the colony, and one which, when the French régime drew to a close, had had a checkered history.

The new arrangement did not prove satisfactory. The *habitants* were poor: peltries which they secured in trade with the Indians were practically the sole measure of their purchasing power. On the other hand, goods imported from France, which they exchanged with the redmen for furs, were held at high prices and the colonists claimed that the heavy impost on furs did not leave them a reasonable profit. In consequence of their representations, the Council took action on May 3, 1653, reducing the duty on beaver skins from one-half to one-quarter.

Collection of the duties on peltries and exploitation of the monopolized trade of Tadoussac by public officials were found unprofitable and the Council decided to “farm” these privileges to the highest bidder. In 1663 they were leased for a period of three years to Sieur Aubert de la Chesnaye in consideration of an annual payment of 46,500 livres.² In accordance with a royal decree of May, 1664, however, Canada was ceded to the Company of the West Indies, “en toute seigneurie, propriété, et justice.” The new company, recognizing that any attempt to monopolize the fur trade would meet with vigorous objection and that a prohibition to the colonists to engage in the trade would be flagrantly disregarded, was willing that the colonists should continue freely to send furs to France on their own account, conditional upon continuance of the levy on exported peltries. It was put in possession of these duties by M. Tracy, lieutenant-governor of New France, but

¹ C.A., F. 7, pp. 300-301.

² *Jugements et délibérations*, I, 39-40.

M. Talon, the intendant, contended that the right to impose such taxes was one of the principal marks of sovereignty, and ought not, therefore, to belong to the seigniors of the country without express authorization of the king. The zealous intendant was informed by Colbert that the sovereign made no claims to these duties which had been imposed to defray the expenses of the colonial government. An *arrêt* of April 8, 1666, placed the matter beyond all question by expressly granting to the Company of the West Indies the right to one-fourth of all beaver skins and one-tenth of moose hides. In return, the company undertook the payment of all the ordinary expenses of the colony, discharged the community from the nominal liability of 1,000 pounds of beaver skins annually, and threw the peltry trade open to all comers.¹ While not expressly stated as such, the tax on pelts was in effect an export duty. To prevent fraudulent embarkation of furs without payment of duties orders were given that no one should go on board any of the merchant vessels in the roads between the hours of 8 P.M. and 4 A.M., while masters of the ships were warned not to receive any furs except those accompanied by a certificate signed by the company's agent.

But only half the story has been told. The ill-fated experiment in public ownership was destined to saddle the community with another tax which proved to be the source of continual friction and contestation. To provide for the necessary expenses was found increasingly difficult and the colony soon became involved in heavy debts. War with the Iroquois spread confusion in the fur trade and the community found itself in financial straits. It borrowed extensively from merchants of La Rochelle to meet current obligations, and the debt accumulated rapidly. By 1652, more than 85,000 livres were owing. The French creditors became alarmed and threatened to have arrested those representatives of the colony who should pass to France. In 1662, after several expedients to repay the amounts borrowed had failed, Governor d'Avangour obliged the creditors to make declarations of their claims. The total debt was found to be slightly in excess of 170,000 livres.² He then proposed that a duty of 10 per cent be levied on all imports into the country for a period of six years, the proceeds to be devoted

¹ *Edits et ordonnances*, I, 60-61.

² *C.A.*, F. 178, pp. 140-41.

to liquidating the debts, and that, as an additional guaranty of payment, the duty be collected by the creditors themselves. The proposal was approved, but for some reason the impost was collected by agents of the Council.¹ There can be no question that at its inception this tax was considered by both Council and *habitant* as merely a temporary charge.

In 1664 a number of the colonists petitioned the Council for repeal of the duty of 10 per cent, claiming that it was oppressive and urging that payment to the creditors be provided in some other way. In view of their representations the Council repealed the duty on dry goods and ordered that the tax for payment of the public debt in future should be imposed only upon wines and brandy.² The following year, however, the duties were replaced on dry goods, and until 1670 the tax of 10 per cent *ad valorem* was collected on all imports of the colony.³ In 1670, the *habitants* complained of the high cost of living, declaring that on account of the duty merchants had raised the prices of their wares. As one of two expedients to relieve the situation, the Council repealed the duty on dry merchandise, providing that in future only liquors and tobacco should be taxed. For convenience in collection, the charges on these commodities were made specific, roughly equivalent to 10 per cent *ad valorem*. In 1672, we find the colonists were protesting, through their Syndic, that the six years, the period for which the tax was imposed in 1660, had long since passed, and that the colony was still burdened with both the tax and the debts which the tax of 10 per cent was intended to pay.

Thus, when the charter of the Company of the West Indies was revoked by royal edict in 1674 and New France was again united to the crown, two taxes were in force: first, an export duty on peltries, one-fourth on beaver skins and one-tenth on moose hides, payable in kind; and, second, an import duty, generally known as the duty of 10 per cent, but specific in form, on wine, brandy, and tobacco. The former was imposed for the express purpose of defraying the necessary expenses of the colony. The latter was

¹ C.A., F. 178, p. 141; but see *Jugements et délibérations*, I, 193.

² *Jugements et délibérations*, I, 193-94.

³ C.A., F. 178, p. 142.

levied as a temporary charge to defray the colony's debt, but had been continued past the time for which it was intended originally.

II

ABANDONMENT OF THE BEAVER TAX

For nearly sixty years, from 1675 to 1732, the public revenues of Canada were leased to revenue farmers, as was the practice in Old France. The chapter is one of the most romantic of Canadian finance, but requires separate treatment. In the present study it will only be referred to in so far as is necessary to trace the history of the taxes involved. Following revocation of the charter of the Company of the West Indies, King Louis leased the revenues of the Western Domain to M. Jean Oudiette for a period of seven years from June 1, 1675, in consideration of an annual payment of 350,000 livres.¹ Oudiette was granted, in addition to certain other valuable privileges, the right to collect the following charges:

In Canada.—(1) the export duty of one-fourth on beaver skins; (2) the export duty of one-tenth on moose hides; (3) the import duty of 10 per cent on wines, brandy, and tobacco; (4) seigniorial and domanial duties of the crown.

In the French West Indies.—The duties known as “les droits seigneuriaux de poids et de capitation,” i.e., (a) a tax on the weight of merchandise coming to, or going from, the West Indies, and (b) a capitation tax.

In France.—(1) the import duty of 3 per cent on merchandise, the product of the West Indies; (2) certain octroi imposts on sugars.

The lease was renewed in 1682 for three years. At the expiration of this period, it passed to the farmers-general of France under the name of Pointeau. Louis Guigues was the third Farmer-General of the Western Domain. Prior to 1700 the “ferme particulière du Canada,” which consisted of the export duties on furs, the duty of 10 per cent, monopoly of trade in Tadoussac, the exclusive privilege of buying furs in Canada and selling them in France, together with certain seigniorial perquisites and dues, were valued by the farmers-general of the Western Domain at 119,000 livres.

¹ C.A., F. 211, p. 161.

The "farm" was subleased for this amount and the under-farmer was required either to pay this sum to the farmer-general or to become responsible to the king for that amount in part payment of the price of the whole farm of the Western Domain.¹ In 1700, however, in order to facilitate arrangements between the colony and the farmer-general, the king reduced the price of the "farm" of Canada to 70,000 livres per annum, the duty on beaver pelts being valued at 30,000 livres and the other duties and privileges at 40,000 livres.²

In 1703, the representative in France of the colony requested the king to repeal the duty of one-fourth on beaver pelts and substitute a duty on cloth, mercery, groceries, and hosiery imported into Canada, and an export tax on furs other than beaver. The application was referred to the colonial governor and intendant to be considered by a general assembly of the *habitants*. As a tentative substitute for the tax on beaver skins, provision was made for certain new duties. Up to this time, the charges of 10 per cent on wines, brandy, and tobacco were collected by the revenue farmers on the following basis: wines, 7 livres 10 sous per cask; brandy, 18 livres 15 sous per cask; tobacco, 3 sous 9 deniers per pound.³ The king's proposal was to increase the duty on wines to 10 livres, and that on brandy to 25 livres per cask, to impose moderate import duties on cloth, mercery, powder, shot, groceries, etc., and light export duties on furs of various kinds. Beaver was not entirely to be exempted, but the levy reduced to 20 sous per hundredweight.⁴ Repeal of the duty on beaver skins was opposed by the directors of the Compagnie du Canada and the new tariff never came into operation. Officials of the company, however, which included the principal officers, merchants, and *habitants* of the colony, increased the specific duties on wines, brandy, and tobacco by one-third.

By an agreement entered into in 1706 by the Compagnie du Canada and Srs. Aubert Nérét and Gayot, the latter merchants

¹ C.A., F. 14, pp. 428, 433.

² *Ibid.*, F. 21, p. 209; F. 23, p. 318.

³ On wines and brandy a rebate of one-tenth of the duty was granted to cover leakage.

⁴ C.A., F. 195, pp. 396-405; F. 41, p. 245.

succeeded to the rights and privileges of the beaver trade which the colony had secured from the farmer-general of the Western Domain in 1700. The agreement was to remain in force for twelve years, during which time beaver furs were exempted from export duty. For the preceding half-dozen years, although the duty of one-fourth on beaver skins had been collected by the agents of the company, the proceeds did not pay the cost of handling, on account of the glutted condition of the French market.¹ When the lease of the Western Domain changed hands in 1707, the new farmer-general found that, with the exception of the Tadoussac monopoly, he was deprived of all rights in the beaver trade of Canada. The duty of one-fourth on beaver pelts had been separated from the "farm" of the Western Domain. The Company of the West, or, as its name became later, the Company of the Indies, was organized in accordance with letters patent of August, 1717, and was required to purchase beaver from the *habitants* at prices fixed by the king-in-council. The new company was exempt from payment of the duty of one-fourth for a period of twenty-five years. The tax was never re-established.

Although abandonment of the tax on beaver skins as a source of colonial revenue was necessitated by force of circumstances—the chronically glutted condition of the French fur market and the danger of diverting the pelts to the English colonies—its significance should not be overlooked on that account. From those early days when a beaver skin could be obtained from the Indians for "a needle, a rattle, or a tin mirror,"² those in charge of the colony's affairs had been wont to look to the fur trade to defray the necessary expenses of the country. But there came a gradual shifting of relative importance as between the duty on peltries and the duty of 10 per cent. The former ceased to be the main reliance for the revenue of New France and the duty on imports assumed the place of premier importance. That shifting marks an important advance in the development of the colony.

Ambiguity and lack of definiteness in the revenue leases, and confusion in the monetary system of Canada, which was complicated

¹ C.A., F. 23, pp. 19-20.

² C.A., F. 176, p. 7; *Collection de manuscrits*, I, 248.

by variation of the standard from that of Old France and by introduction of the notorious "card currency," resulted in almost continuous contest between the merchants and the revenue farmers. The friction was in part allayed in 1720 by a temporary ruling of M. Bégon, intendant, covering the most important points in issue. The method of collecting the duties on imports was simple and at the same time reasonably effective. As soon as a merchant vessel anchored at Quebec a guard went on board to insure that no goods

TABLE I
SHOWING PROCEEDS OF IMPORT AND EXPORT DUTIES IN
FORCE IN NEW FRANCE, 1719 TO 1732*
(Figures are to the nearest livre)

Year	Proceeds from Import Duties	Proceeds from Export Duty of One- tenth on Moose Hides
	Livres	Livres
1719.....	24,941	2,439
1720.....	25,364	1,581
1721.....	29,417	1,905
1722.....	21,080	1,680
1723.....	32,333	1,888
1724.....	30,071	1,161
1725.....	32,030	1,337
1726.....	36,698	1,107
1727.....	27,004	922
1728.....	42,258	1,494
1729.....	47,614	1,145
1730.....	51,856	919
1731.....	52,178	2,332
1732.....	49,993	1,138
1719-32.....	502,836	22,044

*C.A., F. 59, pp. 443-46, 457.

were disembarked or taken on board illegally. Within twenty-four hours after arrival of the ship, the captain or master was required to make declaration of his cargo, both dutiable and free goods, at the office of the Director of the Domain. The captain was granted a permit to disembark the merchandise not subject to duty, as shown by his declaration. As regards dutiable goods, permission to land them was issued when the importers made declaration of their consignments and gave their promissory notes to pay the duties on goods specified in the signed statements. Such permits

were presented to the guard on board, who, in turn, issued an order for the goods to be passed by the shore inspector, as set forth in the order. The duties were not paid immediately, partly because of the scarcity of money, but more particularly because the merchants sold their goods on credit and required time. During the latter part of September and during October, accounts were settled for the entire colony, and it was at this time that the revenue farmers collected amounts due on account of the import duties.¹

The charge known as "the tenth of moose hides" was payable in kind or in money at fixed rates, according as the traders found one or the other method to their advantage and convenience. Table I shows the rapid increase in the return from import duties on wines, brandy, and tobacco during the period 1719-32, while the moose-hide export tax became of declining relative importance as a factor in the revenue of the colony.

III

FIRST GENERAL TARIFF

Not until after 1732, when the revenues of the colony were taken from the farmers and collected under direction of the Royal Department of Marine, was any attempt made by the crown to secure a substantial increase in the public revenue of New France. Such a change was effected with the definite object of imposing additional levies either directly or indirectly upon the people of Canada. The intention of the king in ordering the transfer was explained by Comte de Maurepas, president of the Navy Board, in a letter to the governor and intendant of Canada. The communication set forth that the king expended annually 600,000 livres for maintenance of the colony and that the inhabitants contributed almost nothing. Freedom from taxation bred laziness and lack of ingenuity, declared the comte. Heavy taxes were imposed in the West Indies and the good effects were very apparent. In France, too, the people were stimulated to work because they were heavily taxed. The peasants were not only industrious, but dutiful as well. It was but right, he said, that the inhabitants of Canada should pay taxes proportionate to those levied in France. To suit the convenience of the colonists, the duties should be levied in wheat or other commodities.

¹ *C.A.*, F. 59, pp. 425-26.

The comte also proposed that the tax of one-fourth on beaver skins, being no longer paid, should be re-established.¹

Nor was this the first proposal to levy new taxes in Canada. In 1684 the king instructed Governor de la Barre to confer with the principal inhabitants of the colony to see if the duties on peltries could not be converted satisfactorily into some other duty, a poll tax, a levy on goods or on lands and dwellings, which would produce a revenue equal to that drawn from the existing duties, valued at 119,000 livres, and which would be less burdensome to commerce and to the *habitants*.² The conference was unanimous in the opinion that the king's "farm" in Canada could not be established on any new basis. The governor, in his report to the crown, said: ". . . the current wealth of the country must pay the charges—and peltries alone may be considered current wealth—since the immovables are of no value."³ In 1694, the bishop of Quebec asked the king to increase the duties on brandy in order to create a fund for the support of hospitals in Canada, but His Majesty declined to do so.⁴ In an anonymous *First Mémoire on the Taxes Which the King Wishes to Impose on Canada*, written presumably in 1704 or 1705, the writer set down the proposition that in justice the colony should contribute to its own expenses and not continue always a burden on the royal exchequer. He then argued cleverly for an increase in the existing import duties, as preferable to a general property and faculty tax. "The word *taille*," he wrote, "is the most hateful in the colony. It is capable of disaffecting the minds of the colonists."⁵

In 1733, M. Beauharnois and M. Hocquart, governor and intendant, respectively, were informed of the king's intention to levy new taxes in Canada and their advice was demanded. Alternatives were suggested: a direct tax, consisting of a *taille* in the country districts and a poll tax in the towns of Quebec, Montreal, and Three Rivers; or a duty of 3 per cent on all commodities

¹ *Report Concerning Canadian Archives*, 1904, Appendix K, pp. 176-77.

² C.A., F. 6, pp. 415-16.

³ C.A., F. 7, pp. 63-64.

⁴ *Supplément du rapport du Dr. Brymner sur les archives canadiennes*, par. M. Edouard Richard, 1899 (Ottawa, 1901), p. 295.

⁵ C.A., F. 22, pp. 153 ff. The *taille* was a direct income tax levied in kind or in money.

imported to, or exported from, the colony. The colonial dignitaries admitted the desirability of the *habitants* contributing to the expenses of their own government, but warned the minister that any new duties would be much resented by the people of Canada. "It is of the utmost importance," they wrote, "that we should be in a position to enforce payment of such a tax. . . . We know perfectly the spirit of the Canadians and it is not too prudent to require an addition of 600 men to the troops in order successfully to levy a capitation tax."¹ If the king was willing to make this increase in the forces, a levy of one minot of wheat, or 40 sous in money, for each 6 arpents of cleared land might be collected. This, they explained, would be equivalent to about one-fortieth of the product of the lands. A light poll tax might be instituted in the cities, much the same as that imposed in Montreal to meet the expenses of the city wall. Quebec could pay between 3,000 and 4,000 livres. The population was a little larger than that of Montreal, but the people less well-to-do. The inhabitants of Three Rivers were in poverty and could not pay more than 200 or 300 livres. The tax on beaver skins could not be re-established, at least until expiration in 1742 of the privilege granted to the Company of the West Indies.² Still another proposal during this period was the imposition of a tax on beverages destined for the trading posts.³

The king professed great surprise and disappointment at the report that the imposition of a capitation tax on the towns and a levy of one-fortieth of the crops in the country would necessitate such an addition to the troops. He computed that maintenance of 600 additional men would cost about 140,000 livres a year, while the proposed taxes would produce only some 40,000 livres annually. The reinforcement of the troops to this extent was, therefore, out of the question. The duty of 3 per cent might be collected with less difficulty, but it would be hurtful to commerce and a burden

¹ A writer of the period took exception to the statement in the report of the colonial officials and contended that such an increase in the military forces would not be necessary. He said in part: "The Canadians are naturally inclined to be independent, but the fear of punishment easily restrains them." He favored the *taille* and capitation tax, rather than a duty of 3 per cent on general imports and exports (C.A., F. 66, pp. 163-80).

² C.A., F. 59, pp. 72-78, 81.

³ C.A., F. 66, pp. 178-79.

on the French trade rather than a levy on the people of Canada. The latter must contribute toward the expenses of the colony, and the governor and intendant must find means of swelling the king's revenue.¹ In 1743, certain additional duties on imported wines and liquors were ordered by the colonial officials. With the expressed provision that the increased revenue should be devoted to reimbursing the royal treasury for funds advanced by it on account of construction of the fortifications of Quebec, the king in 1747 ordered substantial advances for three years in the duties on wines, brandy, and rum. Wines which were charged formerly at the rate of 9 livres per cask were to pay 12 livres; the charge on brandy was advanced from 16 sous 8 deniers to 1 livre 4 sous per velte; while rum was to be charged at 24 livres per cask instead of 15 livres, as in the past.

Increase in the duties on wines, brandy, and rum was followed by enactment of a general revenue tariff by royal edict of February, 1748. The edict set forth that after careful examination of the several proposals looking to an increase in the colony's revenue, none seemed more convenient and less objectionable and burdensome than imposition of import and export duties on merchandise which formerly was exempt. It was provided that wines, brandy, and liquors should not be subject to the said import duty of 3 per cent, and should continue to pay the import duties which had been imposed previously, with the increase on the said beverages, ordered by the *arrêt* of January 23, 1747. The export duty of one-tenth on moose hides was continued unchanged. The following products of Canada were exempt from duties when exported to France or to the French colonies: grains, flour, biscuits, peas, beans, Indian corn, oats, vegetables, salt beef and pork, grease, butter, and similar agricultural products. Merchandise used in connection with the fishing industry of the St. Lawrence River was also free from duty. With these exceptions, all imports and exports were to be taxed. The tariff schedule, appended to the edict, set forth specific duties, supposedly equivalent to 3 per cent ad valorem, on 305 import and 39 export items, the latter mostly furs, while a blanket clause provided that all goods not included in the schedule

¹ *Report Concerning Canadian Archives*, 1904, Appendix K, p. 201; *R.C.A.*, 1905, Vol. I, Part VI, p. 13.

should be valued at the port of entry by the commissioners of the domain and the merchants in consultation, or, in case of dispute, by the intendant of New France, and charged at the rate of 3 per cent.¹ While the merchants of the colony recognized the necessity of duties at the rate of 3 per cent, they opposed the new tariff on the grounds that the method of collection was "rigorous" and "inconvenient," and that the specific duties were at a rate much higher than 3 per cent ad valorem. They contended that the equivalents of 3 per cent had been computed on the basis of prices prevailing since the war, and that these prices would be much reduced in time of peace. They attempted to show that in many cases the duties ranged from 10 to 15 per cent, and, in at least one case, to 27½ per cent.²

Imposition of the new duties was suspended temporarily by an *arrêt* of March 6, 1748, which provided that the duty of 3 per cent should be collected only in times of peace. It was not long, however, before the tariff went into effect. Revenue from the duty on dry goods imported amounted to 80,733 livres, 18 sous, in 1757, and that from dry goods exported—furs almost exclusively—to 38,422 livres, 1 sou, 5 deniers. In the same year the import duty on liquors produced 192,434 livres, 14 sous.³ It has been remarked that an increase for three years in the duties on wines and liquors was ordered in 1747. The edict of February, 1748, was ambiguous in its provision that wines and liquors "shall continue to be charged with the import duties which have been imposed heretofore, with the increase in the said beverages ordered by the *arrêt* of our council of state of January 23, 1747." There was room for question whether the second edict made the increase permanent and perpetual, or whether such increase having been made for a specific object was merely recognized and continued during the remainder of the three years prescribed in the earlier edict. The third act of March, 1748, which suspended execution of the February measure,

¹ *Edits et ordonnances*, I, 591-605. M. Bigot, intendant, writing to the king in 1752, stated that, as beaver skins were exempted from the export duty under the edict, he would impose and levy the duty of 3 per cent. "This commodity alone," he added, "will give more than 20,000 livres" (*C.A.*, F. 98, pp. 219-20).

² *C.A.*, F. 90-91, pp. 88-96.

³ Adam Shortt and G. A. Doughty, *Documents Relating to the Constitutional History of Canada*, 1759-1791, Ottawa, 1907, pp. 42-43.

carried the provision that such suspension should not extend to the duties on wines, brandy, and rum imposed by the 1747 *arrêt*, but that the duties should continue to be paid, "according to the form and tenor" of that enactment. In fact, the increased duties were continued until the conquest in 1759, although some of the merchants declared that "they had always conceived this continuance of the augmented duties beyond the time appointed by the edict to be an illegal measure, and an oppression committed upon the French subjects in Canada by the intendant: and that it had been represented as such to the French king, or his ministers, who had given them hopes that it would be redressed."¹ And illegal the continuation was adjudged to be by the Court of the King's Bench after the conquest, in 1766.

In 1750, Intendant Bigot asked permission to levy a tax of 30 or 40 livres per annum on tavern keepers to defray the expenses involved in the paving and maintenance of roads, but no action was taken.² A license tax on retailers of spirituous liquors, however, was the first charge imposed after the conquest.³

IV

LOCAL TAXATION

New France supplies but two cases of local taxation. From its earliest settlement, Montreal had been surrounded by a stockade of cedar posts, it being an accepted belief that the Indians would never attack any place which was inclosed.⁴ Part of the wall required replacement annually, and in 1714 M. de Vaudreuil, governor of New France, and M. Bégon, intendant, received instructions to have a stone wall constructed at the expense of the inhabitants of the town. The original intention seems to have been that the work should be done by *corvée* labor, but so distasteful was this

¹ Francis Maséres, *A Collection of Several Commissions and Other Public Instruments*, etc., London, 1772, p. 291.

² C.A., F. 96, pp. 28-29.

³ C.A., Q. 3, pp. 192-99. Nominally, it was an annual license fee of 26 shillings levied under authority given to the governor-in-council to fix fees. Its primary purpose was regulation of the trade.

⁴ Although a deterrent to the Indians, a stockade was not an absolute assurance against attack. The Iroquois attacked stockaded villages in Huron County in 1648 and 1649.

to the Canadians that enforcement was impossible on account of the paucity of the troops.¹ On the advice of the colonial officials, the king decided to impose a tax to cover the expenses of the stone wall, and by an *arrêt* of May 5, 1716, ordered that the Seminary of Saint Sulpice, at Montreal, which was seignior of all the land in and about the town, should pay 2,000 livres annually, and that the other corporations and the *habitants* should be taxed to the amount of 4,000 livres per annum. Officers of the military forces, who had no houses in the town, alone were exempt. Distribution of the tax was to be made on the basis of an assessment roll drawn up by the judge of Montreal, his procurator, and a deputy named by the *habitants*. It must be approved by the governor and intendant of the colony. The basis upon which the assessment was to be made was not stated in the *arrêt*, but in a letter to the minister in 1720, MM. de Vaudreuil and Bégon said that this tax was imposed in proportion to the land which the individuals possessed.²

Officials of the Seminary protested strongly against the levy of 2,000 livres, contending that they could not pay it. When the Sulpicians defaulted payment in 1719 and 1720, the Council decided to retain 1,000 livres a year for four years from the annual pension paid to the organization, to make up the amount of 4,000 livres which was in arrears. Montreal was swept by fire in 1721 and it was evident that the inhabitants were not in a position to pay the tax. In 1722 the king suspended the general levy for three years (1722-24) and reduced during the same period the tax on the Seminary of Saint Sulpice from 2,000 to 1,000 livres a year. It was found impossible to re-establish the impost on its former basis until 1730, it being alleged that on account of the many changes since the conflagration the assessment rolls were not ready. In 1730, in accordance with a petition of the inhabitants that arrears be remitted, MM. Beauharnois and Hocquart ordered that the annual levy should not be increased on account of the years during which collection of the tax had been in abeyance. The colonial officials had their hands full enforcing payment even of the normal levy, and

¹ C.A., F. 36, pp. 214, 224-25.

² *Edits et ordonnances*, I, 355-56; C.A., F. 42, pp. 48-49. Writing in 1746, Sr. Cugnet considers a proposal to levy a tax on houses in Quebec, "like that which was imposed in Montreal for the wall of that town" (C.A., F. 86, pp. 121-22).

the intendant, writing to the minister in 1731, said: "The collection of 4,000 livres has been nearly completed, but I can assure you, My Lord, that it has not been an easy task." But the king insisted that 1,000 livres per annum be added to the general levy to make up for arrears.¹

The second case of local taxation in New France was a levy on the people of Quebec for the support of the military barracks. Formerly the garrison was billeted on the residents of the town. The barracks were constructed at the expense of the king, but in 1750 the French minister, in a letter to the governor and intendant of the colony, instructed these officials to levy 13,491 livres, 3 sous, 9 deniers upon the inhabitants of Quebec in order to repay the expenses advanced from the royal funds for support of the barracks in 1749. Imposition of the tax did not follow the regular channels, and the inhabitants of the town were in arms immediately. They petitioned the governor and intendant for suspension of the tax on the ground that taxes might be imposed "only in virtue of an *arrêt* of the Royal Council of State and of a declaration of the king registered in the Superior Council of Quebec."² This was followed by a second petition in which the inhabitants not only represented that the tax had not legally been imposed, but also protested that it was more than they should be asked to pay and more than they could pay. The minister explained the irregularity in imposition of the charge by stating that he did not wish to have the tax firmly established by an *arrêt* at a fixed amount until he was in a position to know how much the expenses of maintaining the barracks would be. The colonial officials had suggested that the tax be levied on all the people under the government of Quebec, but the minister refused to allow this, on the ground that the residents of the town were discharged from the lodging of the troops and consequently that they should pay the cost of maintaining the barracks. By an *arrêt* of June 1, 1753, the amount of the annual tax was set at 13,351 livres, distribution to be made on the basis of assessment rolls, prepared annually by the officers of justice and a deputy representing the *habitants*, and confirmed by the governor and intendant. General Murray, in his report to the home government on the state of the government of Quebec, in 1762, remarked that the tax "was

¹ C.A., F. 54, p. 113; F. 60, p. 20.

² C.A., F. 202, pp. 8-9.

laid on every House within the City and Suburbs of Quebec for repairing the Barracks and keeping the same in order."¹

The king's *corvée* may properly be included under the caption of taxation, although it was not free from the idea of a duty to the seignior paramount. This charge and obligation had been transplanted, along with the seigniorial system, from Old France, but it was ever distasteful to the Canadian *habitant* and fell more and more into disrepute in the latter days of the old régime. Each *habitant* was required to give a certain number of days' labor, usually proportioned to his land holdings, in connection with construction or maintenance of roads, bridges, or fortifications. The work was ordered by an ordinance of the intendant and was performed under direction of a public officer known as the *grand voyer*, or overseer-in-chief. The obligation might be commuted by payment of a small sum of money. Excavation work for the fortifications of Quebec was done by *corvée* labor, each *habitant* under jurisdiction of the government of Quebec being required to give eight or ten days' labor when he was fed at the expense of the king, and four or five days when he provided for himself.²

The French crown reserved to itself the exclusive right to impose taxes upon the colony. The royal orders were registered by the Council at Quebec, proclaimed and executed under direction of the colonial officials. The intendant of justice, police, and finance was little more than a judge. He had jurisdiction over all matters affecting collection of taxes and was responsible to the king alone.³ His rulings were subject to repeal or modification at any time by the king, who held supreme judicial as well as supreme legislative authority. Jurisdiction of the intendant was not infrequently trespassed upon by the governor. Indeed, the usurpation, real or pretended, of the intendant's authority was a prolific source of jealousy and petty, but bitter, wrangling. The king's orders were unam-

¹ *Documents Relating to the Constitutional History of Canada, 1759-1791, loc. cit.*, p. 43. The General added: "It is pretty remarkable that notwithstanding the tax was levied from the year 1749 inclusive, the king's Edict ordering the same to be raised is dated only in June, 1753."

² *C.A.*, F. 36, pp. 224-25.

³ In the words of a writer of the period, "L'intendant a seul l'administration des finances dont il est souverain ordonnateur en toutes matières, sans prendre l'avis de personne" (*C.A.*, F. 33, p. 388).

biguous: "He [i.e. the governor] should not meddle with the funds." "I wish you to observe," wrote the king to Governor de la Barre in 1684, "that in most matters concerning the [revenue] 'farmers' you have exceeded your power as governor in issuing ordinances on questions pertaining to the collection of duties claimed by the 'farmers.' That is precisely the function of the intendant."¹

Taxation in New France was imposed solely for purposes of revenue. Considerations of regulation or control rarely entered. The almost entire lack of such considerations under the French régime stands out in striking contrast to post-conquest taxation. On only one occasion, indeed, is there found any suggestion of using taxation as a conscious means of directing the energies and curbing the interests of the *habitants*. This was when the French king, believing that there was an excess of horses in the colony and a deficiency of cattle, proposed to the colonial officials that they should levy a tax of one minot of wheat for each horse. When the difficulties in the way of such a tax were arrayed before the king and doubt cast on its effectiveness to secure the desired end, namely, an increase in the number of horned cattle, the project was abandoned. It was more than a coincidence that the same suggestion was offered by General Murray in his report of June 5, 1762.²

The taxes of New France were imposed in consequence of definite and specific financial exigencies. Their nature and amount were determined, on the positive side, by such exigencies; on the negative, by such limiting and restrictive factors as the economic condition of the colonists, the primitive system of industry, the independent spirit of the people, and their opposition to taxation. It was an institutional adaptation to a definite, concrete situation. Men do not gather "grapes of thorns, or figs of thistles"; neither do they find a highly developed system of taxation in a new-world society, typified by the redskin trader and warrior or that picturesque character, the *coureur-de-bois*.

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TORONTO, ONTARIO

¹ C.A., F. 8, p. 239; F. 6, p. 415.

² C.A., F. 54, p. 53; F. 57, p. 34; *Documents Relating to the Constitutional History of Canada, 1759-1791, loc. cit.*, p. 50.